

# HELMERICH & PAYNE, INC.

## **FORM 8-K** (Current report filing)

Filed 04/07/08 for the Period Ending 04/07/08

Address	1437 S. BOULDER AVE. SUITE 1400 TULSA, OK, 74119
Telephone	918-742-5531
CIK	0000046765
Symbol	HP
SIC Code	1381 - Drilling Oil and Gas Wells
Industry	Oil & Gas Drilling
Sector	Energy
Fiscal Year	09/30

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15 (d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of Earliest Event Reported): April 7, 2008**

**HELMERICH & PAYNE, INC.**

(Exact name of registrant as specified in its charter)

State of Incorporation: **Delaware**

**COMMISSION FILE NUMBER 1-4221**

**Internal Revenue Service – Employer Identification No. 73-0679879**

**1437 South Boulder Avenue, Suite 1400, Tulsa, Oklahoma 74119  
(918)742-5531**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 7.01 REGULATION FD DISCLOSURE**

Helmerich & Payne, Inc. will deliver an investor and securities analyst presentation that includes the slides attached as Exhibit 99.1 to this Current Report on Form 8-K, which are incorporated herein by reference.

This information is not “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing made pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. The furnishing of these slides is not intended to constitute a representation that such information is required by Regulation FD or that the materials they contain include material information that is not otherwise publicly available.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Slides to be shown during an investor and securities analyst presentation.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly authorized the undersigned to sign this report on its behalf.

HELMERICH & PAYNE, INC.  
(Registrant)

/S/ Steven R. Mackey  
Steven R. Mackey  
Vice President

DATE: April 7, 2008

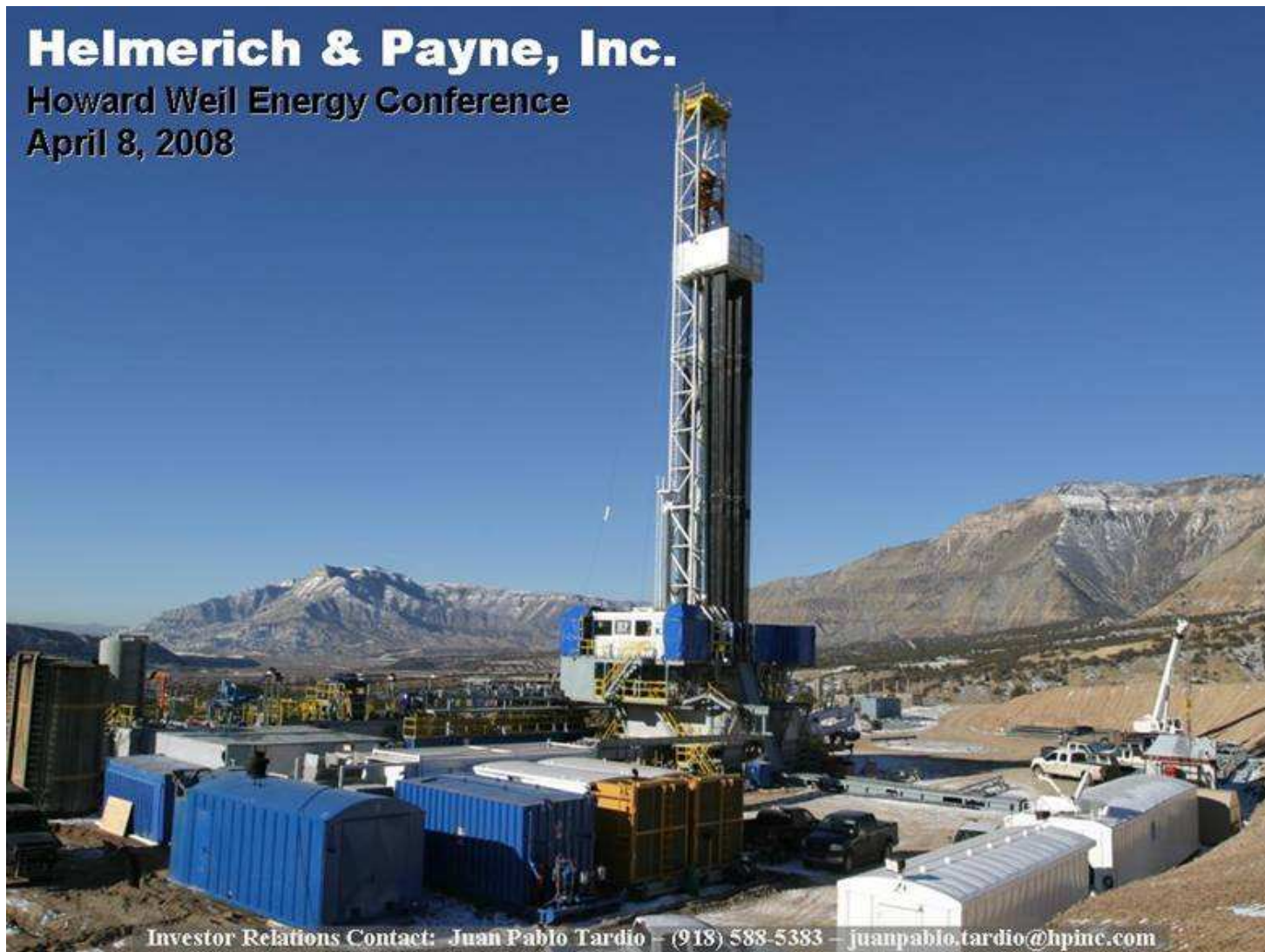
**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Slides to be shown during an investor and securities analyst presentation.

# Helmerich & Payne, Inc.

Howard Weil Energy Conference

April 8, 2008



Investor Relations Contact: Juan Pablo Tardio - (918) 588-5383 - [juanpablo.tardio@hpmc.com](mailto:juanpablo.tardio@hpmc.com)



**The information contained within this presentation is forward looking and involves risks and uncertainties that could significantly impact expected results. A discussion of these risks and uncertainties is contained in the Company's Form 10-K filed with the Securities and Exchange Commission on November 28, 2007.**



## H&P Basics

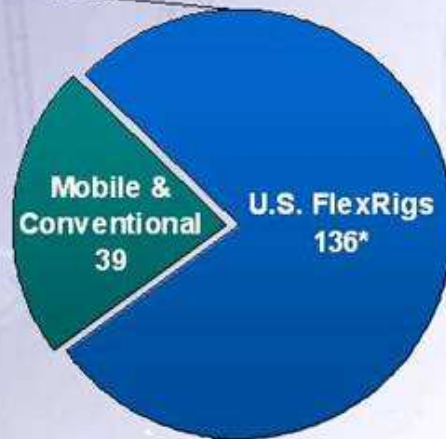
<b>Activity:</b>	<b>Contract Drilling for Oil and Gas</b>	
<b>Symbol:</b>	<b>HP</b>	<b>(NYSE, Since 1963)</b>
<b>Market Cap:</b>	<b>\$4.9</b>	<b>(In Billions, March 26, 2008)</b>
<b>Assets:</b>	<b>\$3.1</b>	<b>(In Billions, Dec 31, 2007)</b>
<b>EBITDA:</b>	<b>\$720</b>	<b>(In Millions, Fiscal 2007 ended Sep 30)</b>
<b>Debt:</b>	<b>\$485</b>	<b>(In Millions, Dec 31, 2007)</b>





# H&P's Global Rig Fleet

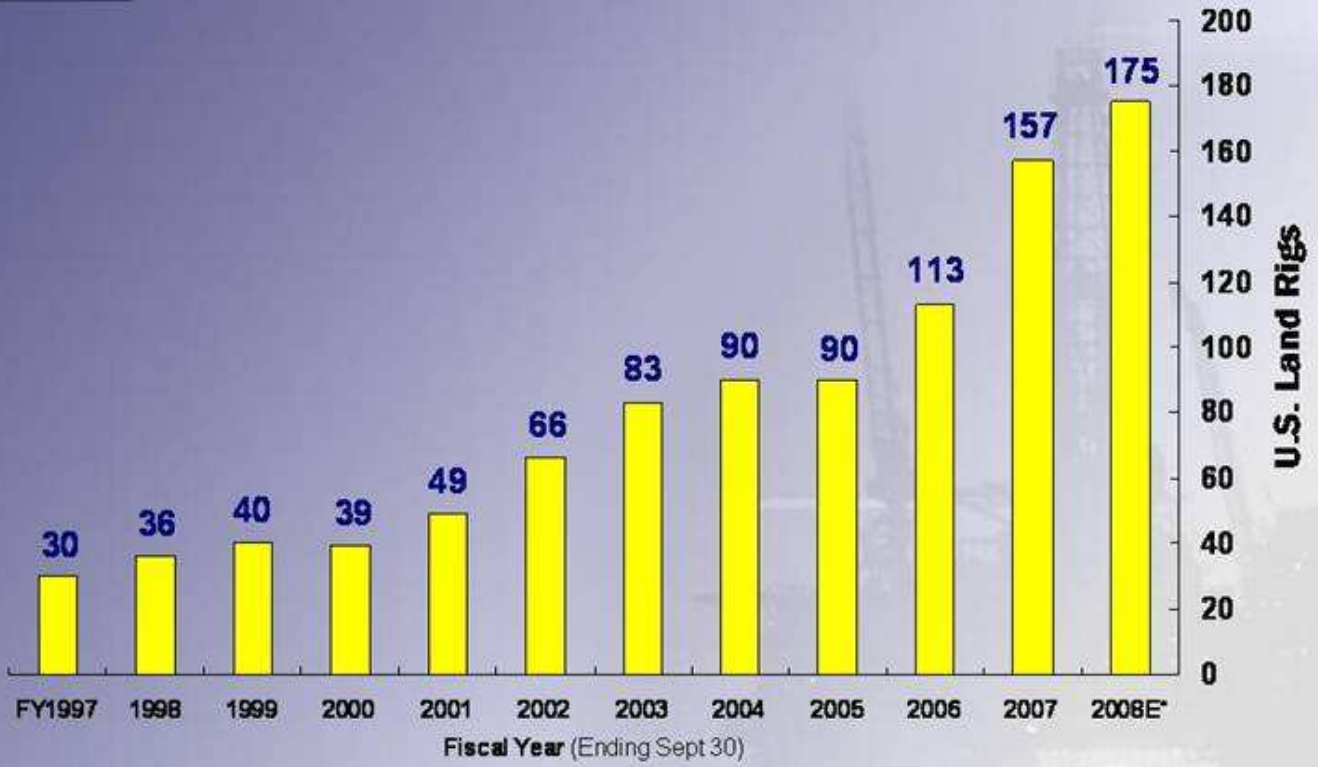
**218 Total Rigs** (Includes New Build Commitments)



\* Includes 3 rigs scheduled for delivery by the end of the third fiscal quarter of 2008.  
\*\* Includes 1 FlexRig operating in Tunisia and 7 FlexRigs pending delivery in fiscal 2008 and 2009.



# Growth in H&P's U.S. Land Fleet



\* Includes committed new builds.



A photograph showing a group of workers in white hard hats and safety vests standing in front of a large industrial drilling rig. The rig is complex with various pipes, valves, and machinery. The scene is set outdoors, likely on a drilling site.

## Retooling the Drilling Business

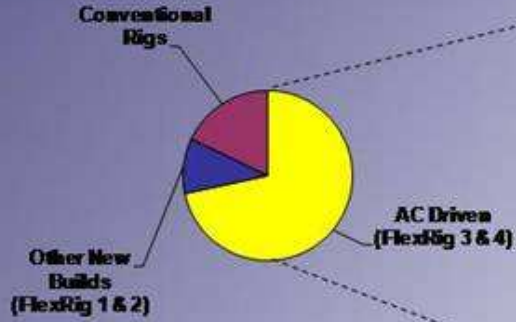
- **New higher-performing rigs have sidelined hundreds of older, less capable units in the U.S.**
- **As drilling becomes increasingly difficult, we see ample potential for additional new builds in both domestic and international markets.**
- **International markets are beginning to embrace the advantages of new drilling rig technology.**



# H&P is Leading the U.S. Land Retooling Effort

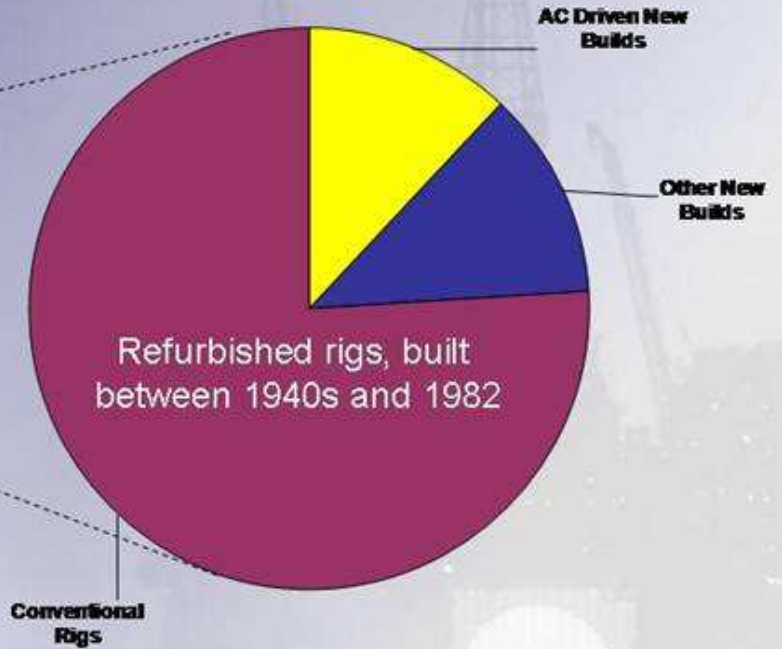
## Active H&P U.S. Land Fleet

(162 Rigs)



## Total Active U.S. Land Fleet (Estimates)

(~2,000 Rigs)

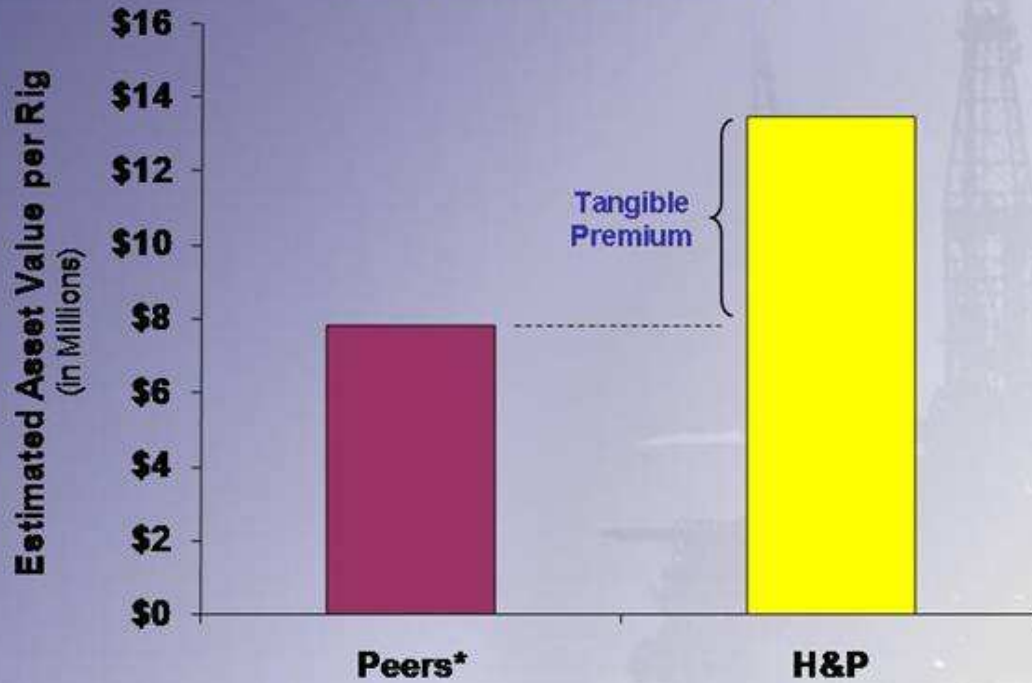


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# Investing in New Technology Does Make a Difference

**Total U.S. Land Asset Book Value per Rig\*\***  
(Quarter Ended December 31, 2007)



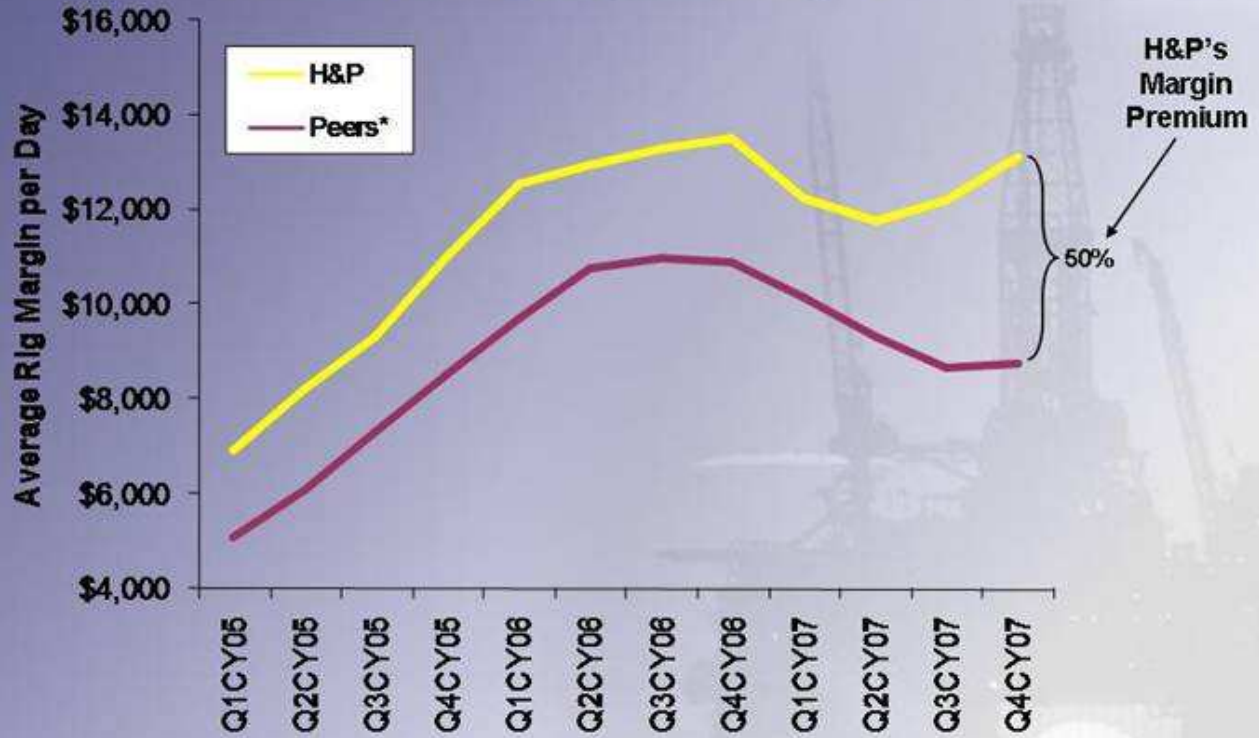
\* Represents estimated weighted-average value for NBR, PTEN, GW and UNT.

\*\* Estimated U.S. land asset book value per rig represents total U.S. land asset book value divided by marketed U.S. land rigs.



# Technology and Quality Service Make a Difference

## U.S. Land Average Daywork Margins



\*Represents weighted-average rig margin per day for PTEN, NBR, UNT and GW.

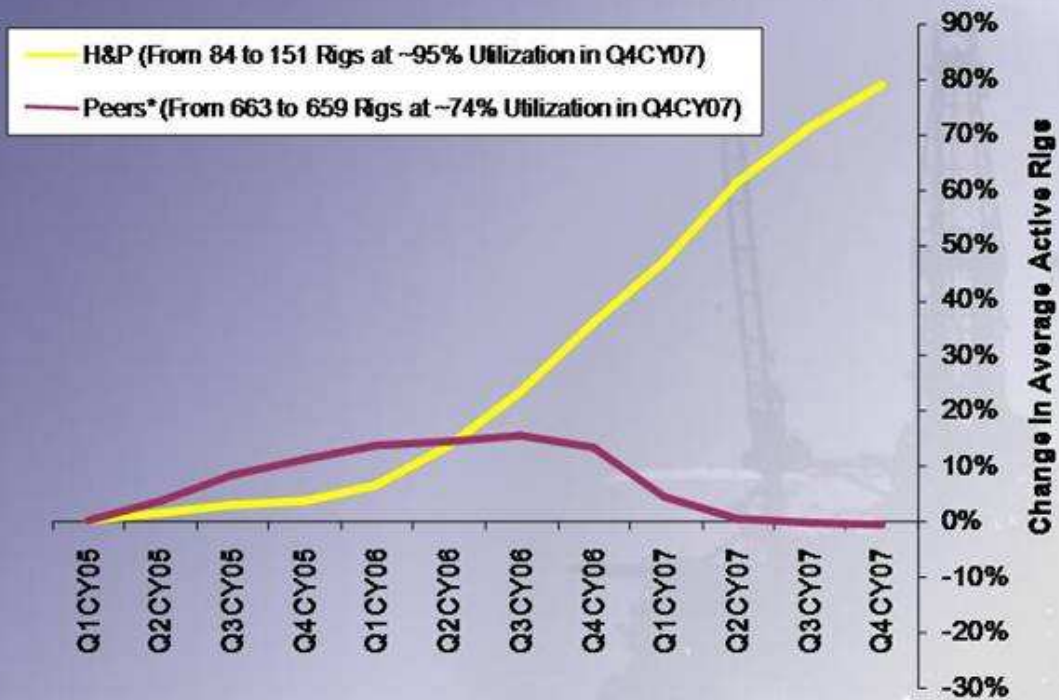
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# H&P Gaining Market Share

## Growth / Decline in U.S. Land Average Rig Activity



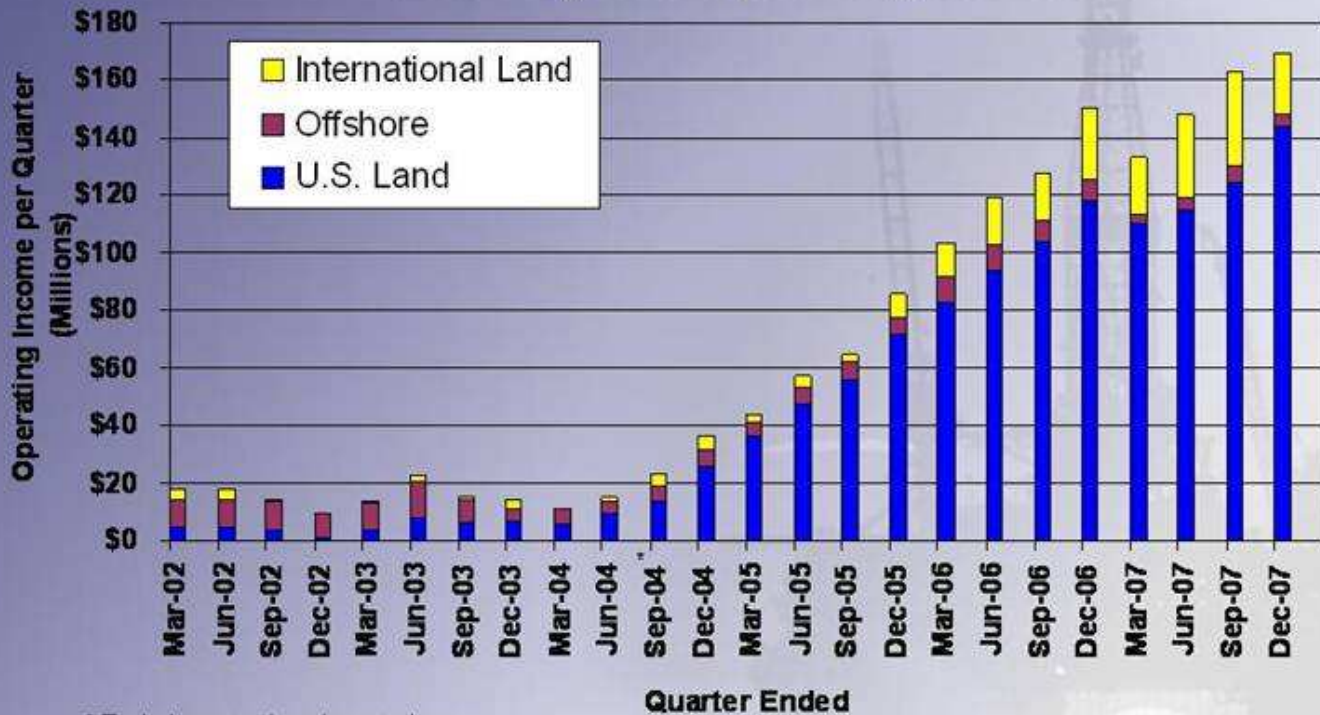
\*Represents average active rigs for PTEN, NBR, UNT and GW.





# H&P's Growth in Operating Income

## H&P Segment Operating Income



\* Excludes asset impairment charge.

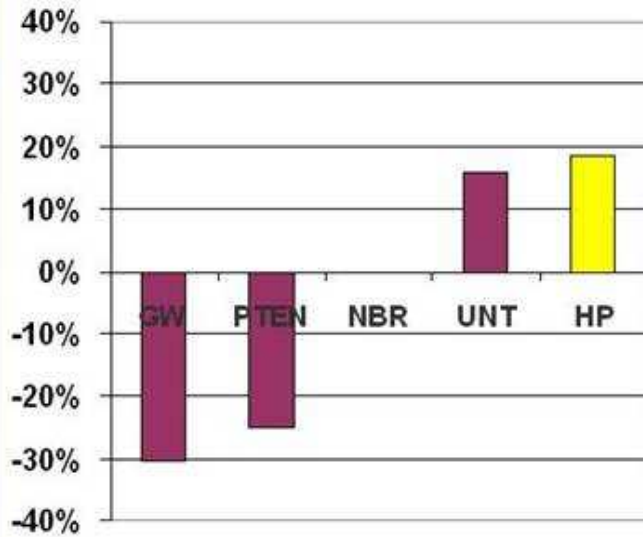


# Delivering EPS & CPS Growth to Shareholders

## Estimated Growth from 2007 to 2008 (Calendar Years)

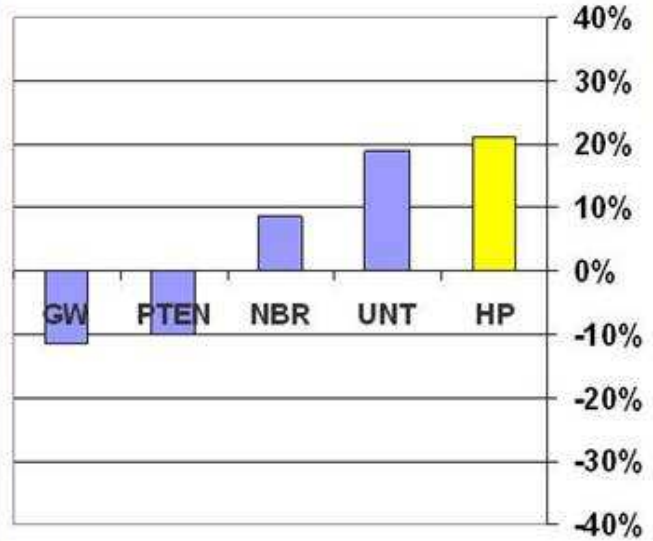
### Analyst Estimates CY2007-CY2008 EPS Growth

(First Call Consensus - March 27, 2008)



### Analyst Estimates CY2007-CY2008 CPS Growth

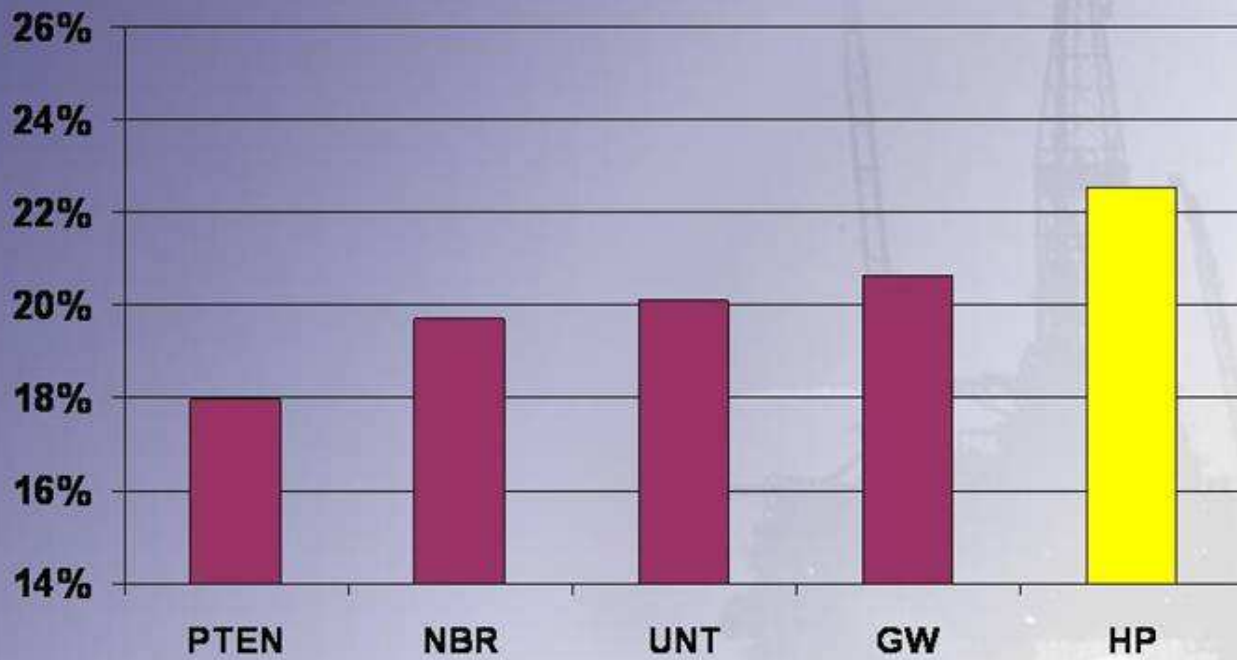
(First Call Consensus - March 27, 2008)





# Returns are Ultimately Driven by Performance

## Annualized Return on Equity Quarter Ended December 31, 2007

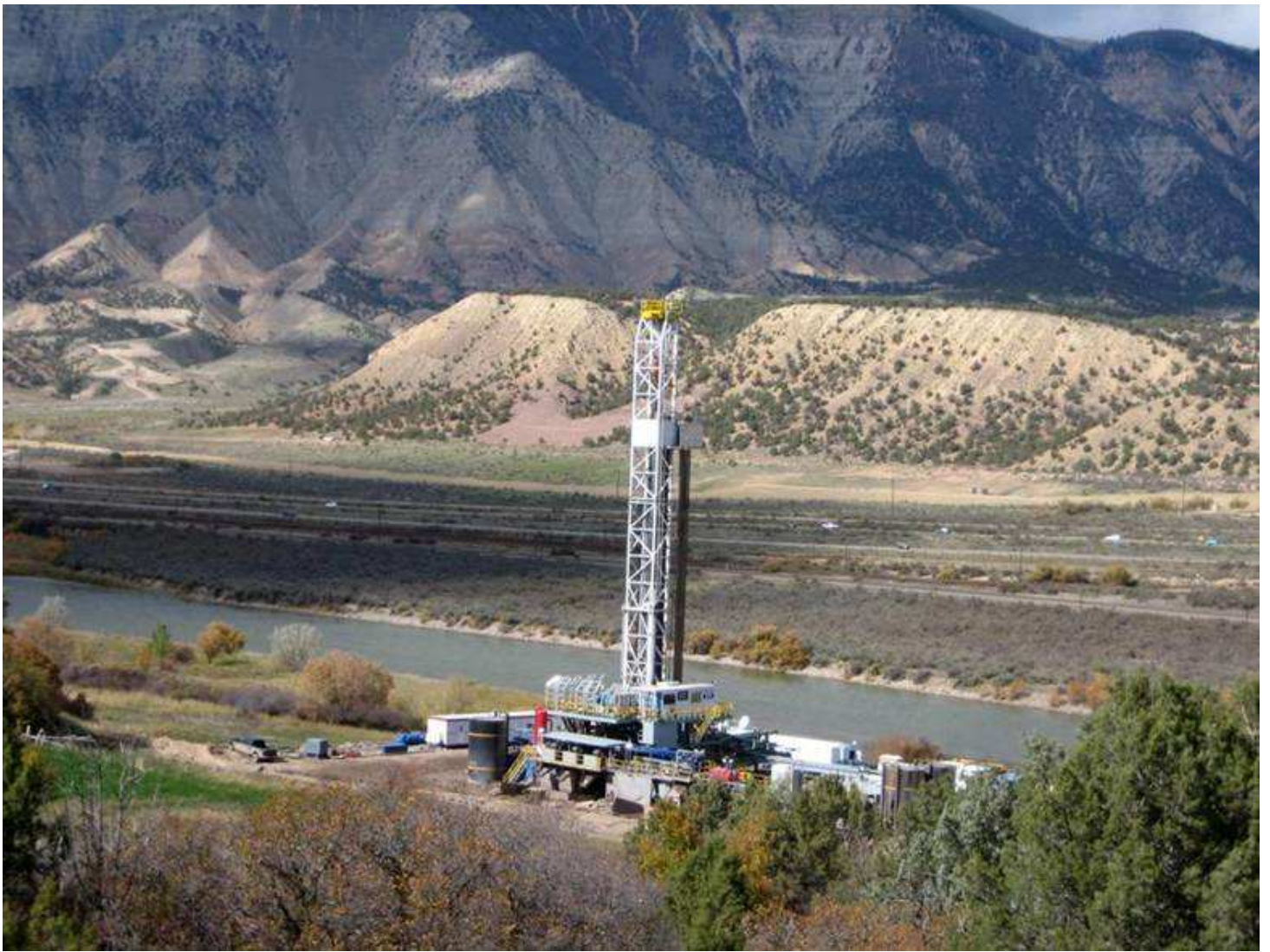


A photograph showing a group of industrial workers in hard hats and safety gear standing in front of a large piece of machinery, possibly a drilling rig. The workers are smiling and looking towards the camera.

## Encouraged to Stay the Course

- **Continue to extend our brand leadership:**
  - **Strong field execution**
  - **Innovative design**
  - **Manufacturing capabilities**
- **Pursue opportunities in both domestic and international markets**
- **Partner with the customer to reduce total well costs through safety and efficiency**

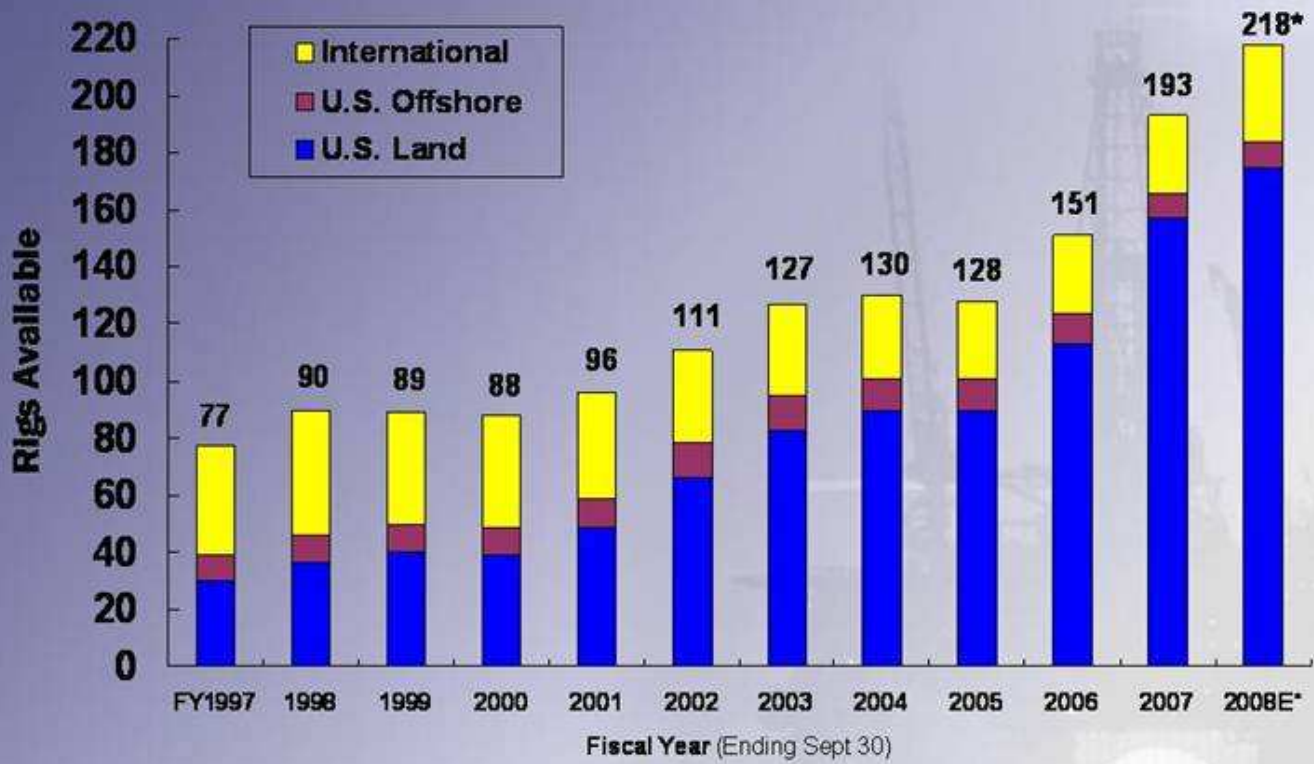








# H&P's Global Fleet




\* Includes committed new builds.

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# The BH U.S. Land Rig Count Remains Strong



A banner image showing a group of people in hard hats and work clothes standing in front of industrial equipment, likely an oil rig or wellhead. The text 'H&P's U.S. Land Operations' is overlaid on the right side of the banner.

## H&P's U.S. Land Operations

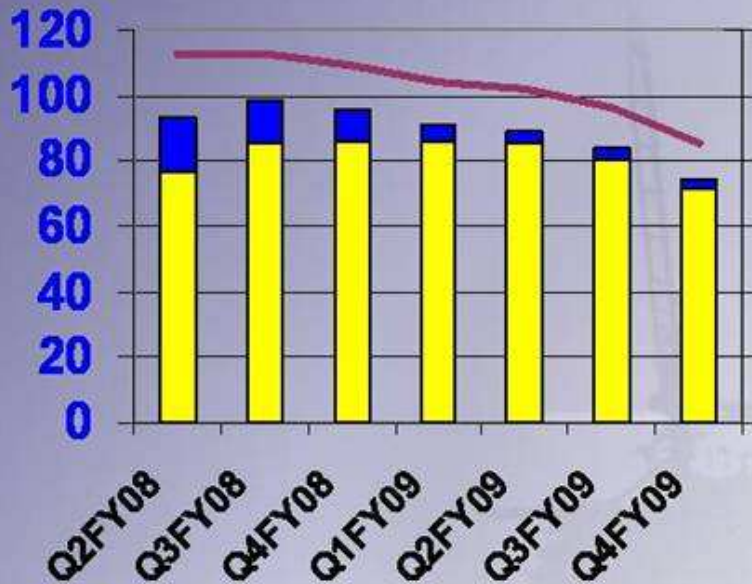
- **Expansion continues**
- **Utilization remains high**
- **Average spot dayrates are flattening**
- **About half of the segment's potential revenue days are under term contracts through fiscal 2009**



# H&P U.S. Land Term Contracts

## Term Contract Status - H&P U.S. Land (Including Committed New Builds)

**Number of Rigs**  
(Estimated Quarterly Average)




**60%**  
**50%**  
**40%**  
**30%**  
**20%**  
**10%**  
**0%**

**Estimated % of Potential Revenue Days Contracted**

- Term Contracts - Other Rigs
- Term Contracts - New Builds (Since 2005)
- % of H&P's U.S. Land Fleet on Term



A composite image showing an oil rig on the left and a group of workers in hard hats and safety gear on the right. The background is a light blue gradient with a faint image of an oil rig.

## Well Positioned to Cope with Market Volatility

- **Long-term contracts**
- **Customer base – Over 80% of our U.S. land fleet is operated by majors and very large independents**
- **Two-thirds of H&P's rigs in the U.S. land spot market are FlexRigs**





## H&P's Offshore Operations

- **Expect significant improvements in utilization and average rig margins per day in the third fiscal quarter**
- **Number of active rigs increasing from five to eight during the third fiscal quarter**
- **The ninth rig is contracted and expected to begin operations in early 2009**



## H&P's International Land Operations

- **Current utilization level at 74%, but expected to increase to 85% during the third fiscal quarter**
- **Daily margins expected to remain relatively flat for the duration of fiscal 2008**
- **Seven new FlexRigs expected to be delivered in Latin America over the next twelve months**
- **Actively seeking additional growth opportunities around the world**



- **Construction program on schedule and on budget**  
(As revised in August 2006)
- **FlexRigs continue to outperform**
- **FlexRig4 performance similar to FlexRig3's**
- **Ample opportunity for further improvement**





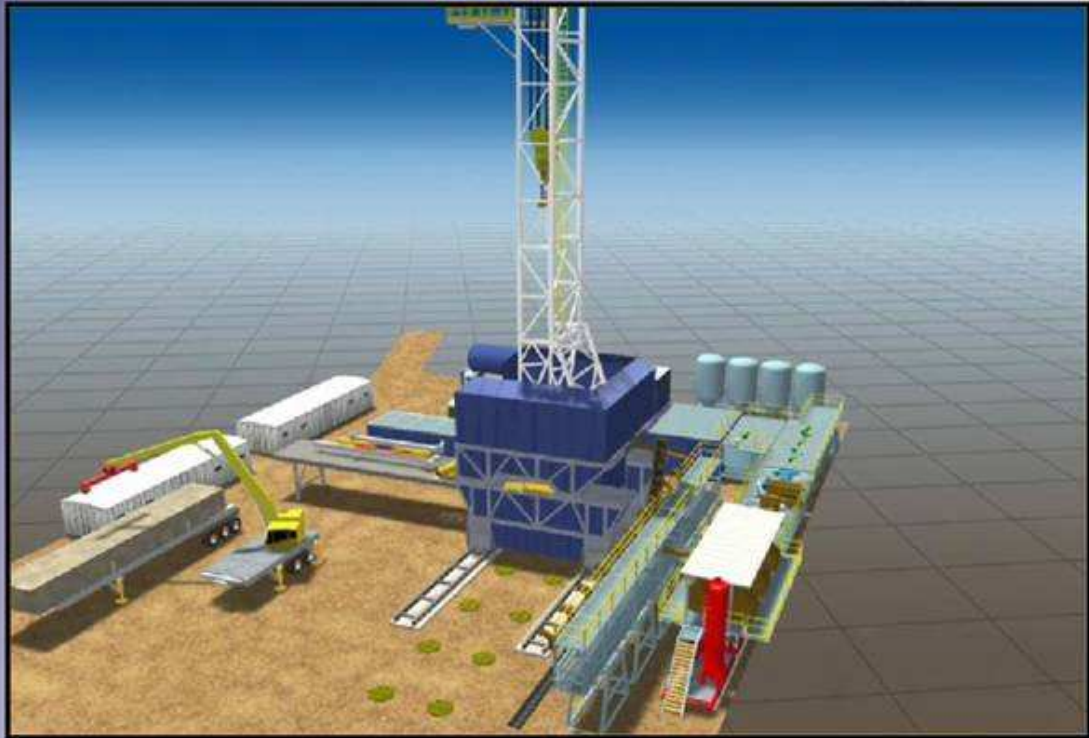
## New Builds – H&P's FlexRig Program

### The FlexRig Difference: Key Advantages

- **Increased drilling productivity and reliability**
  - Variable frequency (AC) drives with increased precision and measurability
  - Computerized electronic driller that precisely controls weight on bit, rotation and pressure
  - Designed to move quickly from well to well
- **Accelerated well programs and NPV gains**
- **A significantly enhanced and safer workplace**
- **Minimized impact to the environment**
- **Total well cost savings even at premium dayrates**



# A Bi-directional Skidding System to Accommodate Multiple-row Well Pads



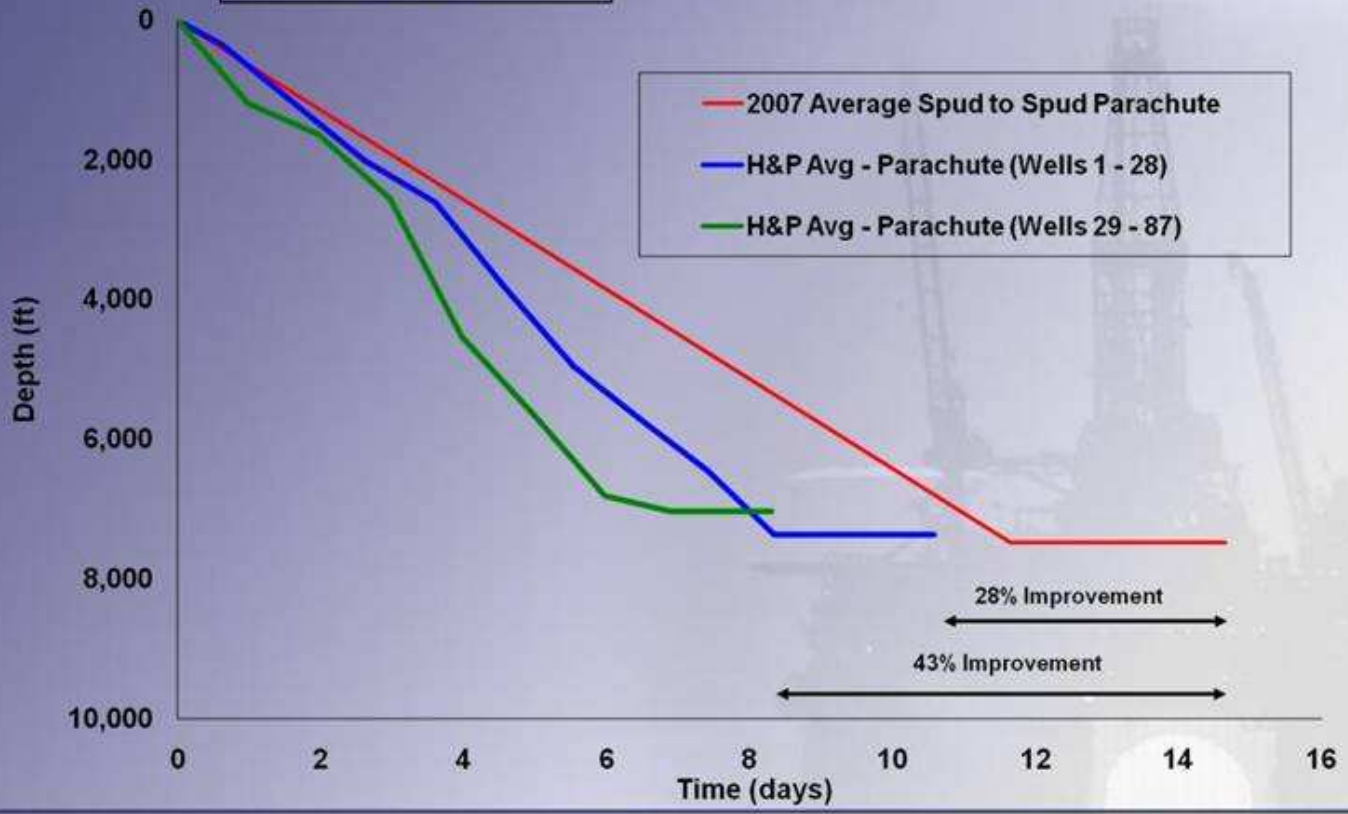
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# FlexRig4 – Performance Sample

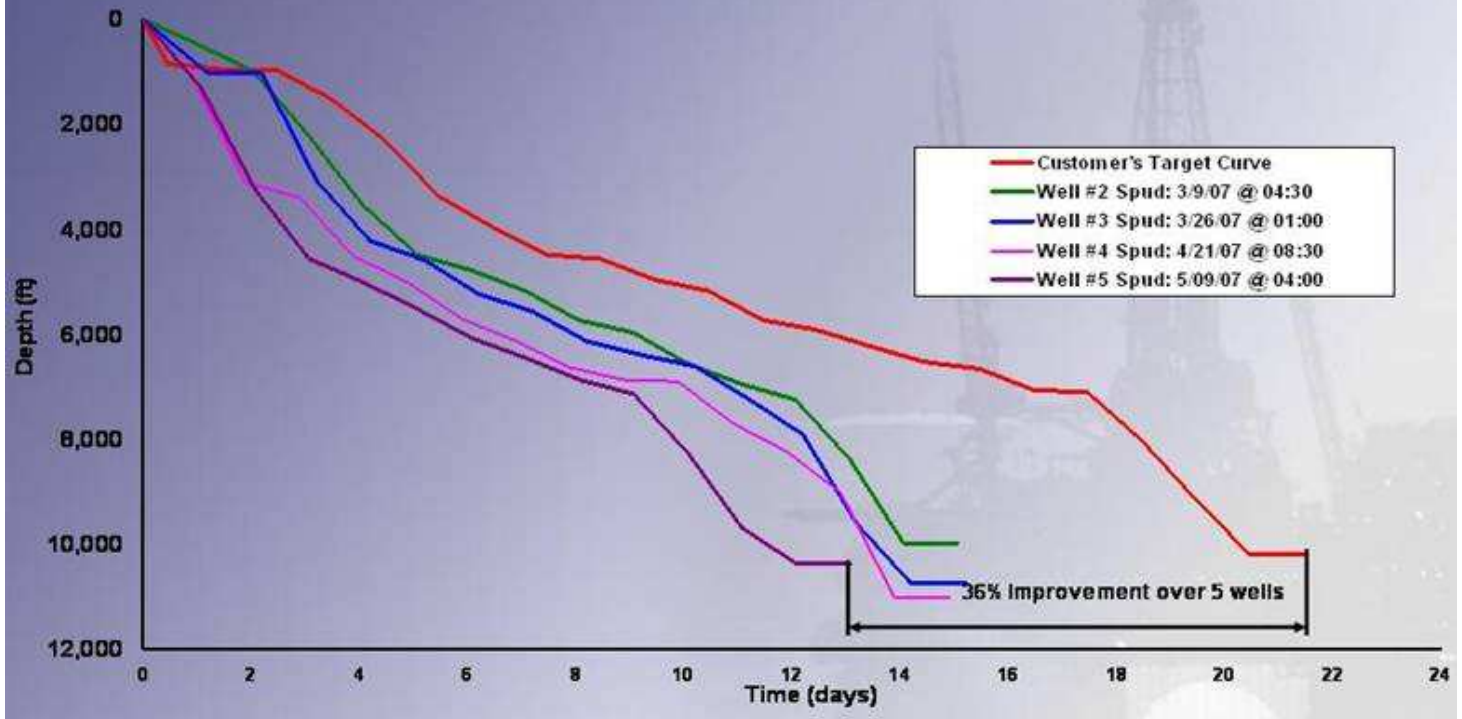
## ROCKY MOUNTAINS





# FlexRig4 – Performance Sample

## FlexRig4S Barnett Shale





## Example of Best Value – H&P vs. Competitors

	Estimated Field Competitor Average	H&P FlexRig3 2007
1. Drilling days	13	7.8
Completion days	2	2
Moving days	5	3
<b>Total rig revenue days per well</b>	<b>20</b>	<b>12.8</b>
2. Drilling contractor dayrate	\$19,500	\$26,500
Operator's other intangible cost per day estimate	\$15,000	\$15,000
<b>Total daily cost estimate</b>	<b>\$34,500</b>	<b>\$41,500</b>
<b>Total cost per well (daily services)</b>	<b>\$690,000</b>	<b>\$531,200</b>
3. Total well savings with H&P – per well per year		\$158,800 \$4.5MM



## Example of Best Value – H&P vs. Competitors

### Value added from FlexRig3 operations

- Significant H&P dayrate premium
- Increased wells per rig per year: 10.3 wells
- Early production: Incremental wells on production
- Lowest total well cost





End of Presentation





Additional References:



The background of the slide is a collage of images related to the oil and gas industry. On the left, there's a close-up of industrial machinery. In the center, a group of about ten workers in white shirts and hard hats are standing together. On the right, there's another view of industrial equipment. The entire background has a dark, semi-transparent overlay.

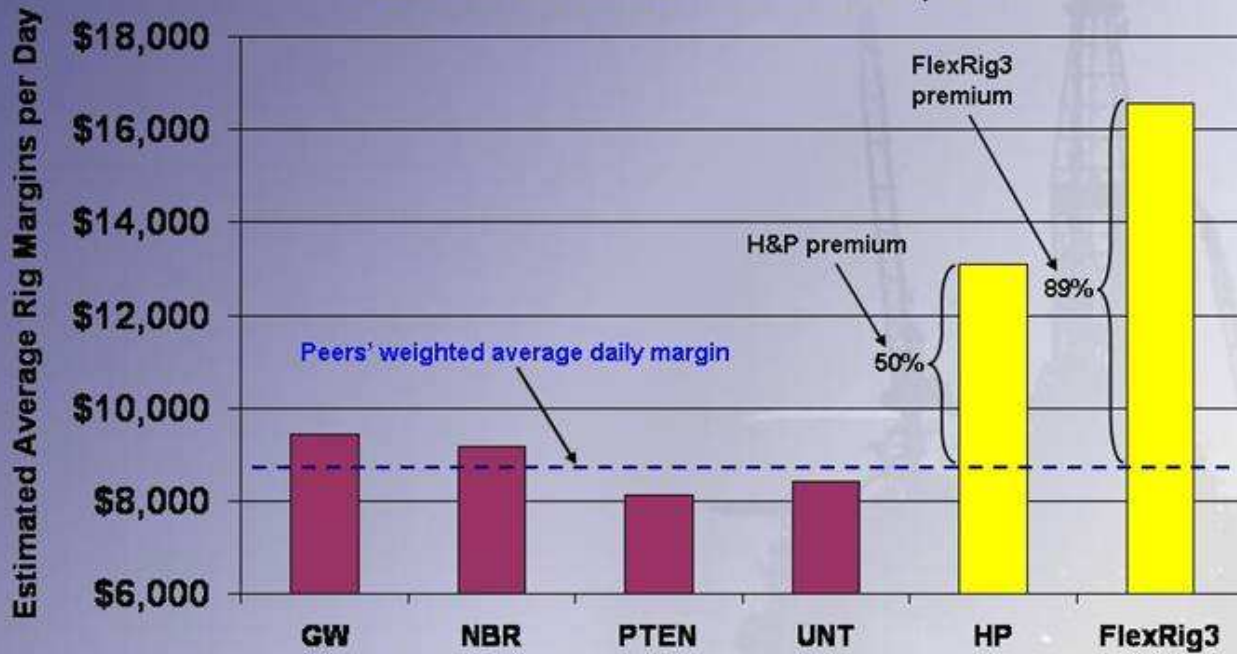
## H&P's Differentiated Approach

- **Create value through efficiency and safety**
  - Provide the most innovative and advanced rigs
  - Structure the organization required to support them
- **Drive customers' total well costs down**
- **Seize opportunities to expand market share**
- **Deliver premium margins and sustainable growth to shareholders**



# Technology and Quality Service Make a Difference

## U.S. Land Daywork Drilling Margins Quarter Ended December 31, 2007

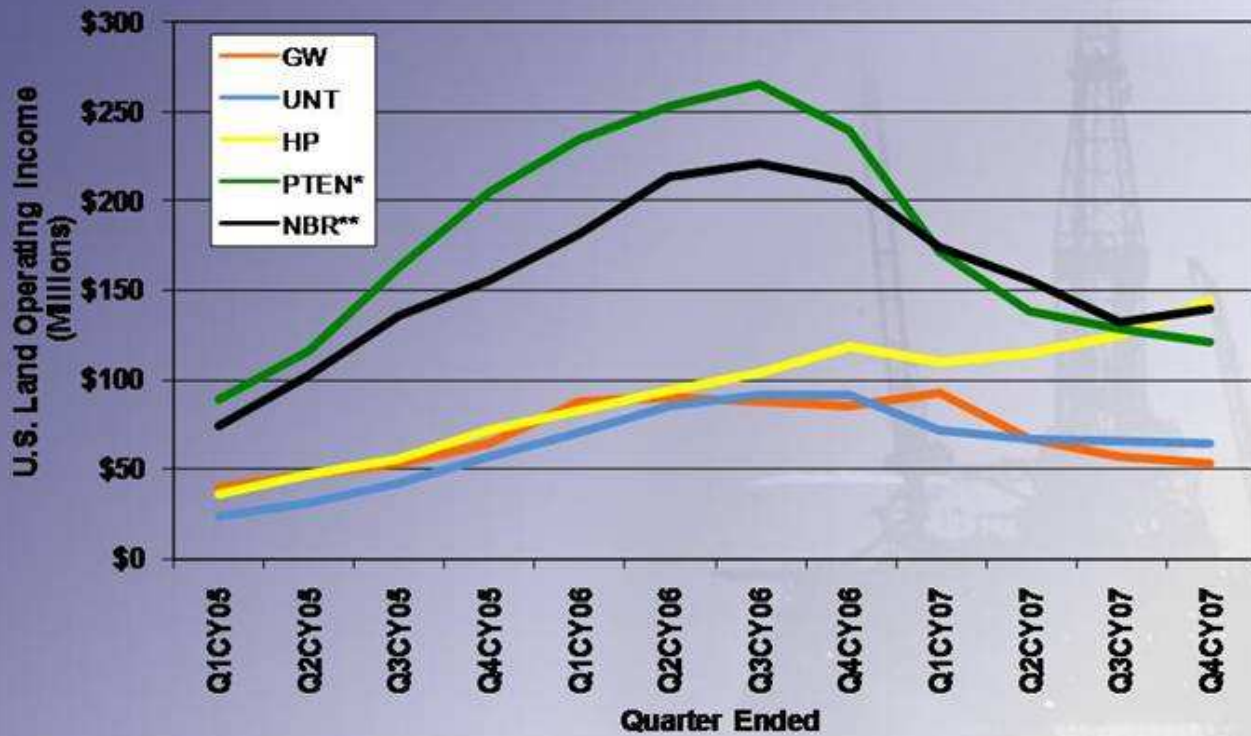






# Growth in H&P's U.S. Land Operating Income

## Peer U.S. Land Operating Income



\* PTEN's operating income includes Canadian drilling operations.

\*\* NBR's operating income corresponds to their U.S. Lower 48 Land Drilling segment.

A collage of images showing an oil rig and a group of workers. The rig is a large, complex structure with many pipes and cranes. The workers are a diverse group of men and women, some wearing hard hats and safety gear, standing together and smiling.

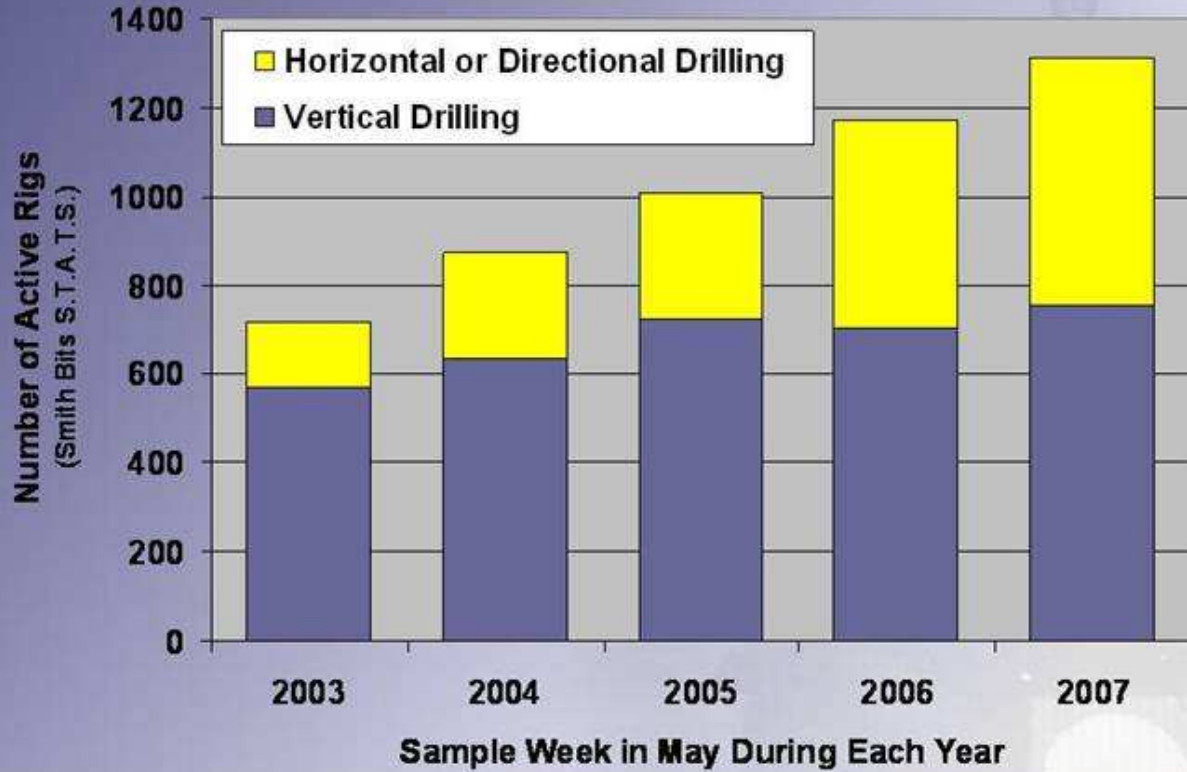
## Market Trends Aligned with H&P's Strengths

- **Rig count remains strong**
- **Increasing demand for more difficult drilling**
- **New and improved rigs replacing old and tired rigs**
- **Greater focus on performance, safety and people**



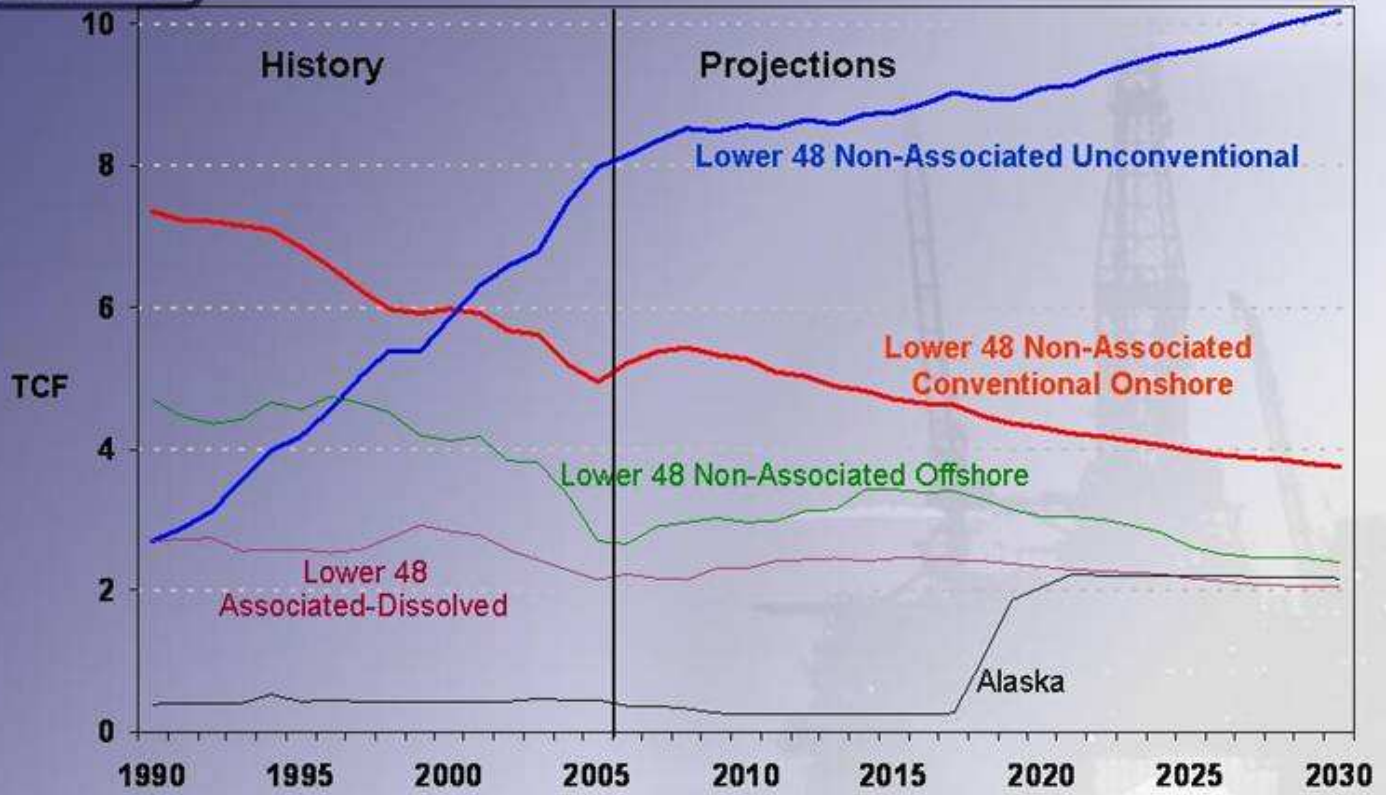
# Increased Demand for More Difficult Drilling

## Active Rigs in U.S. Land Drilling for Natural Gas





# Unconventional Natural Gas Production Growing



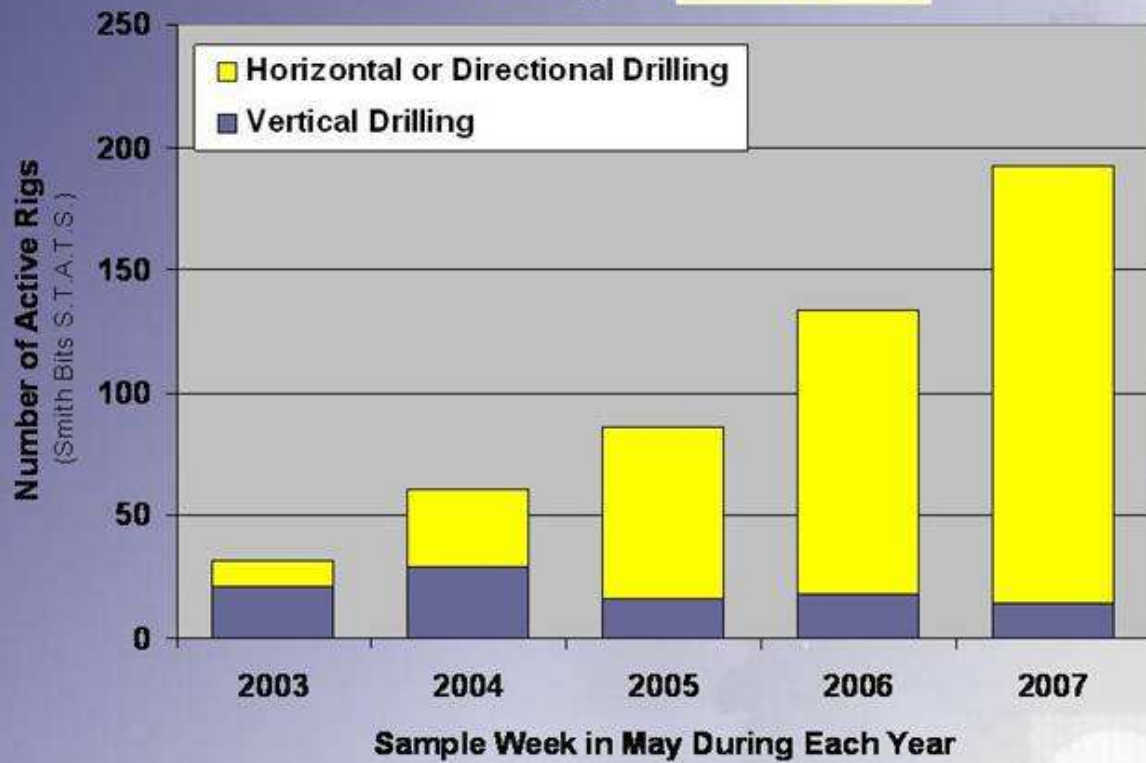
Source: Energy Information Administration Annual Energy Outlook 2007 with projections to 2030 (February 2007)





# Increased Demand for More Difficult Drilling

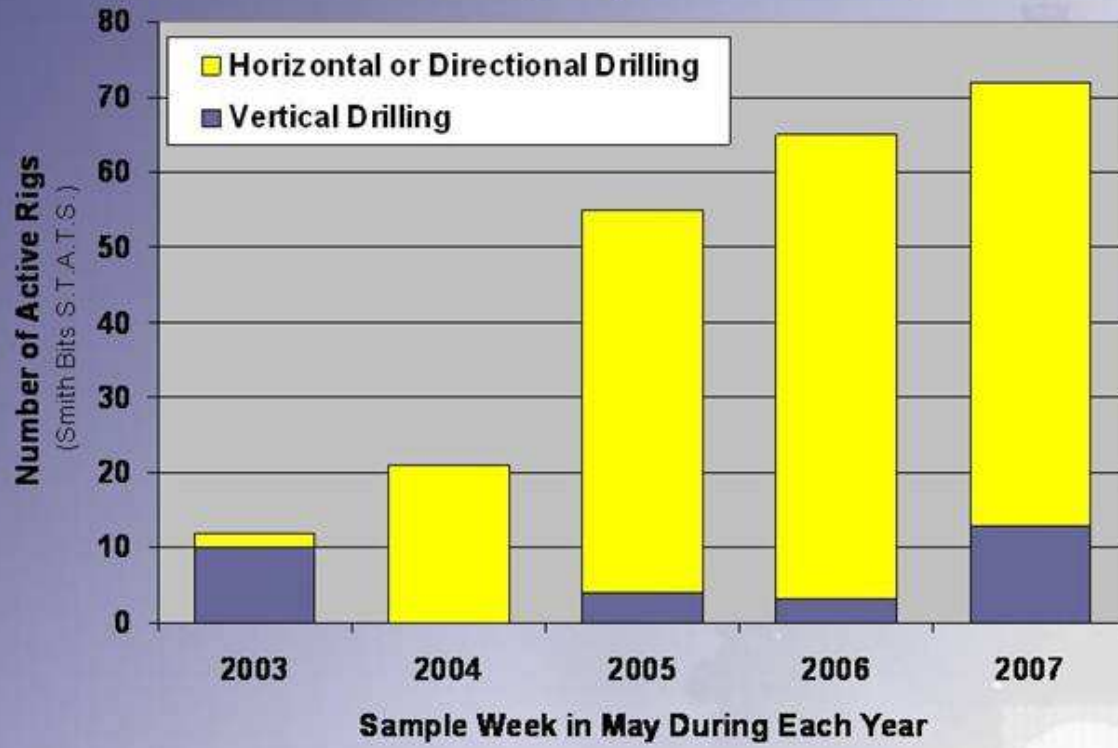
## Active Rigs in Barnett Shale





# Increased Demand for More Difficult Drilling

## Active Rigs in Piceance Basin

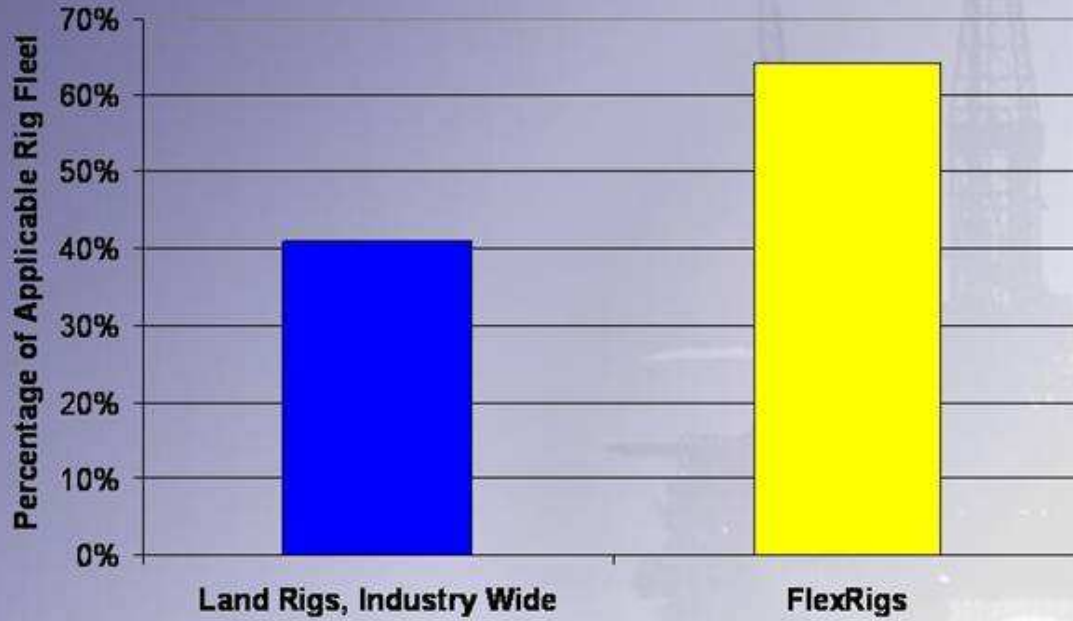




# FlexRigs in Demand for More Difficult Wells

## Active Land Rigs Drilling Horizontal or Directional Wells

(Data Source: Smith International, Inc. - S.T.A.T.S. - 5/11/07)





# Leader in New Ideas & Applied Technology

**Driller's Cabin**



**Computerized Controls**



**AC Driven Systems & Integrated Top Drive**



**Satellite Communications**



**BOP Handling**



**Mechanized Tubular Handling**



**Rig Move Capabilities**



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# Driller on a Conventional Rig vs. FlexRig



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# Roughnecks on a Conventional Rig vs. FlexRig



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# H&P's Organizational Support Structure



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# FlexRig3 Performance



## Highlights of FlexRig3s

### 1. Field Performance vs. customers' planned drill curves\*

- 1901 complete wells as of March 12, 2008
- 1191 wells (63%) under or on
- 591 wells (31%) over

\*6% of wells had no planned curves

### 2. 79% of FlexRig3s are currently drilling directional, more technically difficult wells.





# FlexRig4 Performance



## Highlights of FlexRig4s

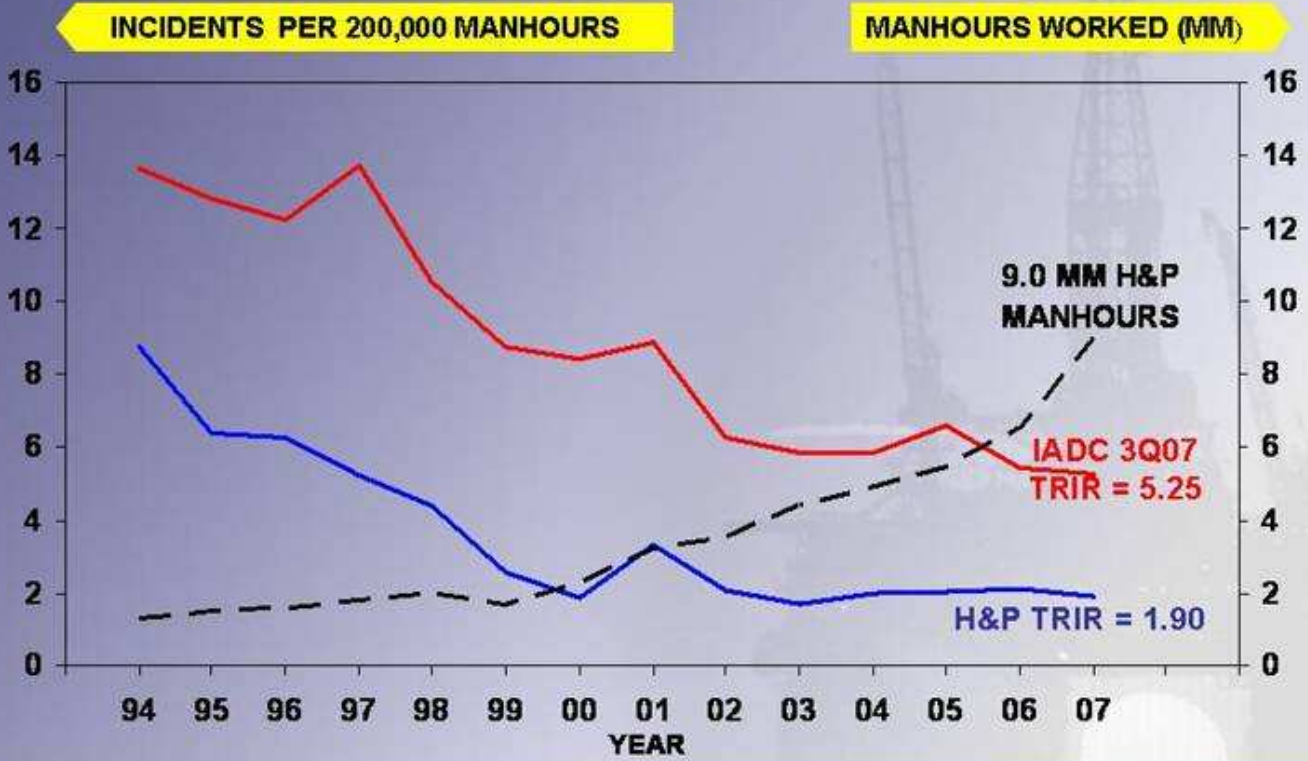
1. **Field Performance vs. customers' planned drill curves\***
  - 1376 complete wells as of March 12, 2008
  - 942 wells (68.4%) under or on
  - 395 wells (28.7%) over

\*2.9% of wells had no planned curves
2. **80% of FlexRig4s are currently drilling directional, more technically difficult wells.**



# Delivering Safety – H&P vs. Industry (IADC)

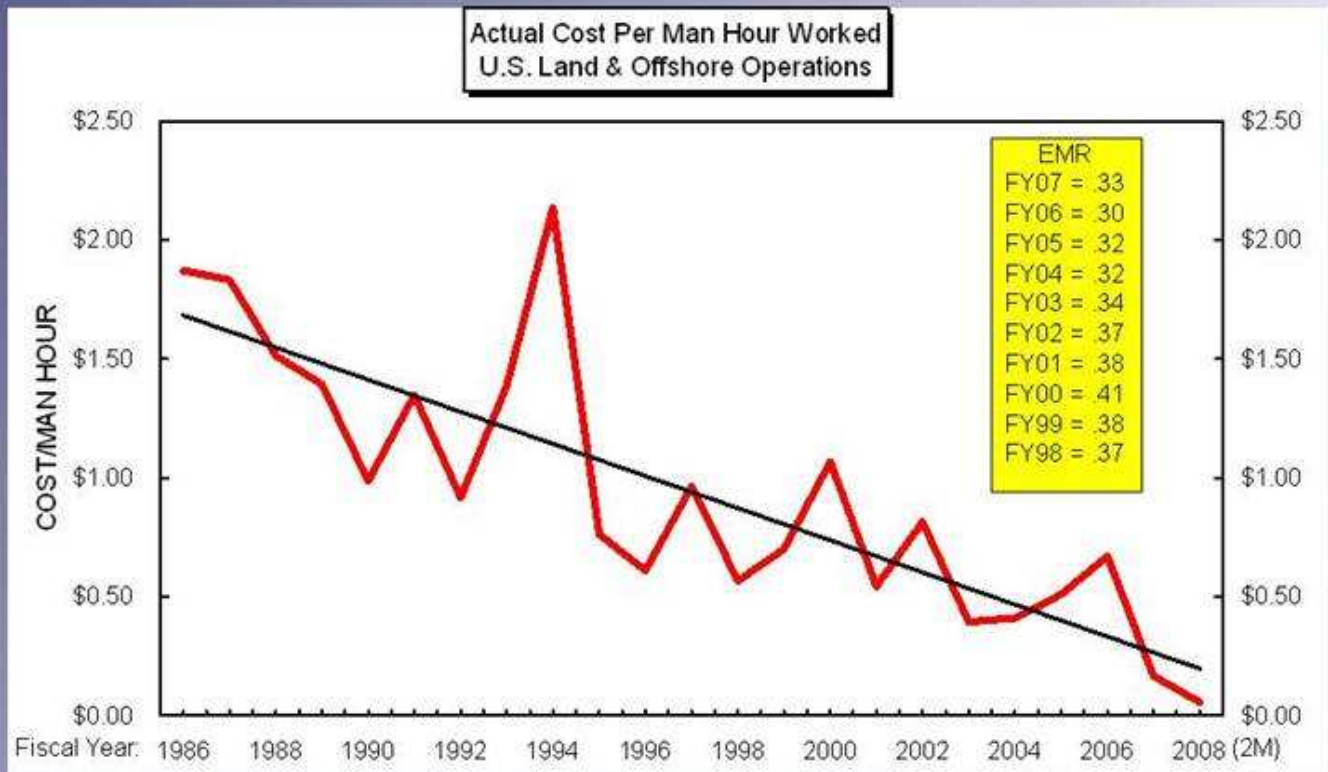
## U.S. Land Safety Performance (1994 – 2007) 12-Month Rolling Average Incidence Rates





# Safety Excellence Also Generates Savings

## Reduced Workers Comp and General Liability Losses per Man Hour



EMR = Experience Modifier Ratio (Average = 1.00)

HELMERICH & PAYNE, INC.





# Personnel Development Center



1. Health, Safety and Environmental (HSE)
2. People Skills and Leadership
3. Technical (Equipment Support)
4. Administration (Payroll, Supply Chain)





# Monetizing H&P's Stock Portfolio

## Sales of H&P's Stock Portfolio





End of Document

